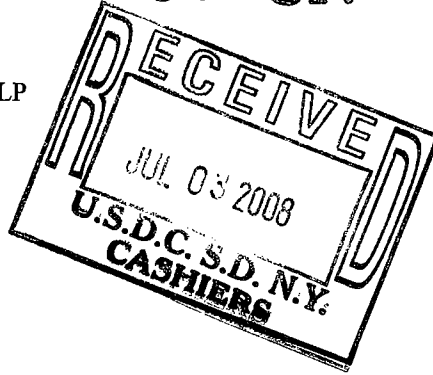


JUDGE DANIELS

'08 CIV 6146

Theodore L. Hecht (TH-5497)
Cynthia A. Murray (CM-8900)
SCHNADER HARRISON SEGAL & LEWIS LLP
140 Broadway, Suite 3100
New York, New York 10005-1101
(212) 973-8000
Attorneys for Defendant



UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
CLUES FASHIONS, INC.,

Plaintiff,

-against-

NOTICE OF REMOVAL

COSTCO WHOLESALE CORP.,

Defendant.
-----X

PLEASE TAKE NOTICE that Defendant COSTCO WHOLESALE CORP., pursuant to 28 U.S.C. §§ 1441 *et seq.* and based upon this Court's jurisdiction under 28 U.S.C. § 1332 based on the diversity of the citizenship of the parties, removes this action from the Supreme Court of the State of New York, County of New York, to the United States District Court for the Southern District of New York. The grounds for such removal are as follows:

1. This action was commenced against Defendant in the Supreme Court of the State of New York, County of New York, by serving a Summons and Verified Complaint upon CT Corporation, Defendant's agent for service of process, on or about June 17, 2008.
2. This Notice of Removal is being filed within thirty (30) days from the receipt of a copy of the Summons and Verified Complaint, and is therefore timely pursuant to 28 U.S.C.

§ 1446(b). A true and correct copy of the Summons and Verified Complaint is attached hereto as Exhibit A.

3. Upon information and belief, Plaintiff is a corporation organized under the laws of the State of New York with its principal place of business at 1400 Broadway, New York, New York 10018.

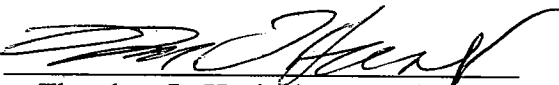
4. Defendant Costco Wholesale Corp. is a corporation organized under the laws of the State of Washington and with its principal place of business at 999 Lake Drive, Issaquah, Washington 98027.

5. The amount in controversy, as alleged in Plaintiff's Verified Complaint, exceeds \$75,000, exclusive of interests and costs.

6. Jurisdiction exists in this Court by reason of diversity of citizenship, 28 U.S.C. § 1332.

Dated: New York, New York
July 3, 2008

SCHNADER HARRISON SEGAL
& LEWIS LLP

By: 
Theodore L. Hecht (TH-5497)
Cynthia A. Murray (CM-8900)
140 Broadway, Suite 3100
New York, New York 10005
(212) 973-8000
*Attorneys for Defendant
Costco Wholesale Corp.*

To: Michael B. Goldsmith
Silverberg Stonehill Goldsmith & Haber, P.C.
111 W. 40th Street
New York, New York 10018
(212) 730-1900
*Attorneys for Plaintiff
Clues Fashions, Inc.*

SUPREME COURT OF THE STATE OF YORK
COUNTY OF NEW YORK

-----X
CLUES FASHIONS, INC., :

Plaintiff, :

- against - :

COSTCO WHOLESALE, CORP., :

Defendant. :
-----X

Index No. 108272/08

SUMMONS

Plaintiff's address:

1400 Broadway

New York, New York 10018

The basis of the venue designated
is plaintiff's place of business in
New York County

YOU ARE HEREBY SUMMONED to answer the complaint in this action and to serve a copy of your answer, or, if the complaint is not served with this summons, to serve a notice of appearance on the plaintiff's attorney within 20 days after the service of this summons, exclusive of the date of service (or within 30 days after the service is complete if this summons is not personally delivered to you within the State of New York) and in case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York
June 10, 2008

SILVERBERG STONEHILL GOLDSMITH
& HABER, P.C.
Attorneys for Plaintiff

By: 

Michael B. Goldsmith (MBG/8358)
111 West 40th Street
New York, New York 10018
(212) 730-1900

TO: Costco Wholesale Corp.

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

-----X	:	
CLUES FASHIONS, INC.,	:	Index No.
	:	
Plaintiff,	:	<u>VERIFIED COMPLAINT</u>
	:	
- against -	:	
	:	
COSTCO WHOLESALE, CORP.,	:	
	:	
Defendant.	:	
-----X	:	

Plaintiff, Clues Fashions, Inc., by its attorneys, Silverberg Stonehill Goldsmith & Haber, P.C., as and for its complaint respectfully alleges:

1. That at all times hereinafter mentioned the plaintiff, Clues Fashions, Inc. ("Clues") was and is a New York corporation with its principal place of business at 1400 Broadway, New York, New York 10018.

2. That at all times hereinafter mentioned the defendant, Costco Wholesale Corp. ("Costco") was and is a foreign corporation authorized to do business in New York State.

3. That heretofore and in or about October of 2005, Clues and Costco entered into an agreement pursuant to which Clues agreed to sell and Costco agreed to purchase approximately 160,000 ladies' stretch gauchos (the "Goods").

4. That in accordance with the terms of the agreement, Clues caused the Goods to be delivered to Costco.

5. Subsequent to Costco's receipt of the Goods, Costco informed Clues that the Goods needed repair because a tape utilized by Clues, in certain instances left a residue on the Goods.

6. Thereafter, at a meeting attended by representatives of Costco and Clues, the parties agreed that Costco would return the Goods to Clues who would re-tape them and reship the Goods to Costco and then re-bill at the original price.

7. Thereafter, in accordance with the terms of this agreement, Costco returned to Clues a portion of the Goods which were re-taped by Clues and reshipped to Costco on a timely basis. Although pursuant to the agreement, Costco was supposed to return all of the Goods, in fact, Costco failed to do so but nevertheless took deductions against Clues as if all of the Goods had been returned, when in fact, Goods having an agreed price and reasonable value of \$207,746.90 were neither returned nor paid for.

8. That subsequent to discovering this, Clues made repeated demands upon Costco that it pay it for the improper deductions, all of which have been ignored by Costco.

9. That as a result thereof, Clues has sustained damages in the amount of \$207,746.90.

AS AND FOR A FIRST CAUSE OF ACTION

10. Plaintiff repeats and realleges each and every allegation contained in paragraphs 1 through 9 hereof with the same force and effect as if more fully set forth at length herein.

11. That as a result of failing to return all of the Goods to Clues, Costco has converted Clues Goods and accordingly, it is liable to Clues in the amount of \$207,746.90.

WHEREFORE, plaintiff, Clues Fashions, Inc., respectfully requests judgment as follows:

(i) on the first cause of action in the amount of \$207,746.90, together with interest from May 1, 2006;

(ii) on the second cause of action in the amount of \$207,746.90, together with interest from May 1, 2006;

(iii) the costs and disbursements of this action and such other and further relief
as the court deems just and proper.

Yours etc.,

SILVERBERG STONEHILL GOLDSMITH
& HABER, P.C.
Attorneys for Plaintiff

By: 

Michael B. Goldsmith (MBG/8358)
111 West 40th Street
New York, New York 10018
(212) 730-1900

TO: Costco Wholesale Corp.

VERIFICATION

STATE OF NEW YORK)
)ss.:
COUNTY OF NEW YORK)

Mark Naim, being duly sworn, deposes and says that I am the president of the plaintiff in the within action; that I have read the foregoing Summons & Verified Complaint and knows the contents thereof; that the same are true to deponent's own knowledge, except as to the matters therein stated to be alleged on information and belief, and that as to those matters deponent believes them to be true.


Mark Naim

Sworn to before me this
10 day of June, 2008

